

Clearances:
L/PM – Schildge ok PM/DTCL – Maloney
NSC – Nillson ok H – Cooper
PM/CPA – Greer ok PM/DTC–RSKovac
T – Katsapis info

Dear Madam Speaker:

Pursuant to Section 36(c) of the Arms Export Control Act, I am transmitting, herewith, certification of a proposed amendment to a manufacturing license agreement for the export of defense articles, including technical data, and defense services in the amount of \$100,000,000 or more.

The transaction contained in the attached certification involves the export of defense articles, including technical data, and defense services to support the manufacture of X1100-Series transmissions in the Republic of Korea.

The United States Government is prepared to license the export of these items having taken into account political, military, economic, human rights, and arms control considerations.

More detailed information is contained in the formal certification which, though unclassified, contains business information submitted to the Department of State by the applicant, publication of which could cause competitive harm to the United States firm concerned.

Sincerely,

Richard R. Verma
Assistant Secretary
Legislative Affairs

Enclosure:

Transmittal No. DDTC 055-09

The Honorable
Nancy Pelosi,
Speaker of the House of Representatives.

DEPARTMENT OF STATE
TRANSMITTAL NO. DDTC 055-09
CERTIFICATION OF PROPOSED ISSUANCE OF AN EXPORT
LICENSE PURSUANT TO SECTION 36(c)
OF THE ARMS EXPORT CONTROL ACT

(1) Foreign Country or International Organization to Which Export Will Be Made:
Republic of Korea

(2) Dollar Value of the Items to be Exported:

(a) Current Notification Value: \$65,000,000

(b) Total Value: \$460,900,000

(3) Description of the Transaction:

(a) Current Notification Scope: Allison Transmission, Inc. proposes an amendment to its manufacturing license agreement with the Republic of Korea to increase the value of transferred hardware associated with this program to increase the manufactured output of X1100-Series transmissions.

(b) Total Scope: Allison Transmission, Inc. has had an ongoing manufacturing license agreement to manufacture X1100-Series transmissions in the Republic of Korea since 1998. This program was formerly notified to Congress pursuant to 36(c) under DTC # 005-07 on October 31, 2007 for \$171,900,000. A predecessor manufacturing agreement was notified to Congress three times for a cumulative total of \$289,000,000 most recently under DTC # 007-04 on April 29, 2004. The current total program is valued at \$460,900,000. The Department is providing this notification due to the increase in program value by more than ten percent.

(4) Offset Arrangement: The indirect offset arrangement associated with this program involves the purchase of \$16,586,066 in transmission parts from three Republic of Korean companies by December 31, 2012.

(5) Authorized Sales Territory: Australia, Brazil, Chile, Egypt, Kuwait, Malaysia, Republic of Korea, Saudi Arabia, Spain, and Turkey.

(6) Date Certification Delivered to Congress:

NOTE: This report, although unclassified, is derived from information submitted to the Department of State by the applicant, which is subject to the confidentiality requirements of section 38(e) of the Arms Export Control Act. Disclosure of an applicant's prices and customers could result in competitive injury

Dear Madam Speaker:

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Richard R. Verma
Assistant Secretary
Legislative Affairs

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The Honorable
Nancy Pelosi,
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Dear Mr. Chairman:

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Sincerely,

Richard R. Verma
Assistant Secretary
Legislative Affairs

Enclosure:

Transmittal No. DDTC 055-09

The Honorable
John F. Kerry, Chairman,
Committee on Foreign Relations,
United States Senate.

Dear Senator Lugar:

Pursuant to Section 36(c) of the Arms Export Control Act, I am transmitting, herewith, certification of a proposed amendment to a manufacturing license agreement for the export of defense articles, including technical data, and defense services in the amount of \$100,000,000 or more.

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Sincerely,

Richard R. Verma
Assistant Secretary
Legislative Affairs

Enclosure:

Transmittal No. DDTC 055-09

The Honorable
Richard G. Lugar,
Committee on Foreign Relations,
United States Senate.

Dear Ms. Ros-Lehtinen:

Pursuant to Section 36(c) of the Arms Export Control Act, I am transmitting, herewith, certification of a proposed amendment to a manufacturing license agreement for the export of defense articles, including technical data, and defense services in the amount of \$100,000,000 or more.

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Sincerely,

Richard R. Verma
Assistant Secretary
Legislative Affairs

Enclosure:

Transmittal No. DDTC 055-09

The Honorable
Ileana Ros-Lehtinen,
Committee on Foreign Affairs,
House of Representatives.

Dear Mr. Chairman:

Pursuant to Section 36(c) of the Arms Export Control Act, I am transmitting, herewith, certification of a proposed amendment to a manufacturing license agreement for the export of defense articles, including technical data, and defense services in the amount of \$100,000,000 or more.

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Sincerely,

Richard R. Verma
Assistant Secretary
Legislative Affairs

Enclosure:

Transmittal No. DDTC 055-09

The Honorable
Howard L. Berman, Chairman,
Committee on Foreign Affairs,
House of Representatives.

Dear Mr. President:

Pursuant to Section 36(c) of the Arms Export Control Act, I am transmitting, herewith, certification of a proposed amendment to a manufacturing license agreement for the export of defense articles, including technical data, and defense services in the amount of \$100,000,000 or more.

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Sincerely,

Richard R. Verma
Assistant Secretary
Legislative Affairs

Enclosure:

Transmittal No. DDTC 055-09

The Honorable
Joseph R. Biden, Jr.,
President of the Senate.